

REMARKS

Claims 1-12 are currently pending, wherein claim 10 has been amended to correct a grammatical informality. Favorable reconsideration is respectfully requested in view of the remarks presented herein below.

In paragraph 3, the Office Action objects to Figure 1 for not being designated as "Prior Art" because only that which is old is illustrated. In response, Figure 1 has been amended to include the designation "Prior Art" thereby addressing the Examiner's concerns.

In paragraph 4, the Office Action objects to claim 10 because the phrase "it" is allegedly vague and indefinite. While Applicant disagrees with the Examiner's conclusion that the use of the phrase "it" is vague and indefinite, claim 10 has been amended to remove the phrase.

In paragraph 6, the Office Action rejects claims 1-7 and 9-12 under 35 U.S.C. §102(a) as allegedly being anticipated by Applicant's Admitted Art ("Admitted Prior Art"). Applicant respectfully traverses this rejection.

It is well known that in order to support a rejection under 35 U.S.C. §102, the applied reference must teach each and every claimed limitation. In the present case, claims 1-7 and 9-12 are not anticipated by the Admitted Prior Art for at least the reason that the Admitted Prior Art fails to disclose each and every claimed element.

Independent claim 1 defines a method of controlling the use of a smart card. The method includes, *inter alia*, the steps of decrementing or incrementing the control counter

by one unit at the start of a transaction comprising at least one authentication session by the card, and if the authentication by the card is successful, subsequently incrementing or decrementing, respectively, the control counter by one unit.

The Admitted Prior Art pointed to by the Office Action (i.e., page 3, lines 18-30 of the specification) discusses the fact that the transactions between a electronic purse smart card and a terminal takes place according the following steps. First, during an initialization phase, the card calculates a session key from a secret key contained in the card; during the transaction, a session counter of the card is irreversibly incremented; and then according to the type of transaction, the card calculates a signature by applying a cryptographic algorithm to a data item. However, nowhere in the discussion of known methods is there any disclosure of the steps of decrementing or incrementing the control counter by one unit at the start of a transaction comprising at least one authentication session by the card; and if the authentication by the card is successful, subsequently incrementing or decrementing, respectively, the control counter by one unit.

Nevertheless, the Office Action asserts that the Admitted Prior Art discloses the incrementing/decrementing or decrementing/incrementing steps as claimed inasmuch as the Admitted Prior Art discloses incrementing a session counter. This assertion is unfounded for the following reason:

Even if the session counter NTX was interpreted as being equivalent to the control counter of the invention, the Admitted Prior Art still fails to anticipate claim 1 because, as clearly stated on page 3, line 22, the session counter is *irreversibly* incremented during the

transaction. Accordingly, the Admitted Prior Art cannot possibly be interpreted as disclosing the step of subsequently decrementing the control counter by said unit if authentication of the card is successful. Therefore, the Admitted Prior Art fails to anticipate the invention as defined in claim 1.

Claims 2-7 and 9-11 variously depend from independent claim 1. In addition, independent claim 12 defines a smart card that includes, *inter alia*, a microprocessor that executes the method of claim 1. Therefore, claims 2-7 and 9-12 are patentably distinguishable over the Admitted Prior Art for at least those reasons presented above with respect to claim 1.

This application is in condition for allowance. Notice of same is earnestly solicited. Should the Examiner have any questions regarding this application, the Examiner is invited to call the undersigned at the number provided below.

Respectfully submitted,

BURNS, DOANE, SWECKER & MATHIS, L.L.P.

By: Penny L. Caudle
Penny L. Caudle
Registration No. 46,607

P.O. Box 1404
Alexandria, Virginia 22313-1404
(703) 836-6620

Date: June 26, 2003